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# **Introduction: The Housing Question Revisited**

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## The Housing Question revisited

In 1842, an impressionable 21 year-old named Friedrich Engels was despatched by his industrialist father from his native Germany to the city of Manchester, England, in order to learn the practices of sound factory management, and in particular, how to extract maximum value from the proletariat. The outcome of that particular parental decision was not what was intended. Engels was so horrified by the abysmal living conditions of the working class labourers of the Manchester cotton mills that his destiny as a cotton lord was arrested and the seeds of communist theory were sewn. As the historian Jonathan Schofield remarked in 2006, “without Manchester, there would have been no Soviet Union, and the history of the 20th century would have been very different” (Jaffries, 2006, n.p.). Engels is of course most famous for his astonishingly productive and profoundly influential collaborations with Karl Marx, and for the poignant eloquence of his masterpiece *The Condition of the Working Class in England* (1845). The purpose of this special issue, however, is to engage with three articles Engels wrote in 1872 for *Der Volkstaat*, which were published that year as a pamphlet entitled *The Housing Question*.<sup>1</sup>

The context for *The Housing Question* was a raging debate among the German intellectual left (in particular, between socialists and anarchists) over how to interpret and, not least, *how to respond to* serious housing crises facing workers living in the centres of Western European industrial cities. Engels took deadly aim at the arguments of two giants in this debate, Pierre-Joseph Proudhon and Emil Sax, famously chastising them as ‘bourgeois socialists’. Why was Engels so dismissive of intellectuals who, at first glance, might seem to be political allies and comrades? The answer lies in what their respective ‘solutions’ to housing crises had in common. Anarchist Proudhon proposed an end to private landlordism via the conversion of tenants’ rents into purchase payments on their dwellings, which he believed would end exploitative relations between landlords and tenants that had led to so much suffering at the time. Social reformer Sax held the view that ‘home-and-garden’ ownership would transform workers into capitalists by enabling them to generate income or credit from real estate in hard times, and also improve their sense of self-worth. Considered together, Proudhon and Sax were offering solutions that not only did nothing to challenge the existence of private property rights, but actually made those rights even stronger: they truly believed that homeownership among the proletariat had “revolutionary potential”.

Therein lies the critical impulse of *The Housing Question*: at heart a profoundly polemical and often exhilarating excoriation of private property rights. The claim that homeownership could be in any sense revolutionary

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<sup>1</sup> The text is available at <http://www.marxists.org/archive/marx/works/1872/housing-question/index.htm>

infuriated Engels, who believed that homeownership would in fact “chain the worker in semi-feudal fashion to his own particular capitalist” (Engels, 1887, n.p.). For Engels, private property rights were far from liberating for workers; they constituted *the chief institutional arrangement that made capitalist urban expansion possible*, encompassing all the myriad features of political economy (wages, trade, value, price, money) that he had seen at work in Manchester, and that were responsible for the creation of stark inequalities, grotesque exploitation, and appalling injustices. Far from embracing private property rights, Engels continued, any revolutionary movement had to acknowledge their central role in creating a society thoroughly driven and moulded by the interests of capital accumulation at the expense of working people. As Stuart Hodkinson (2012, 427-8) has pointed out, for Engels

there was no such thing as a *housing* crisis, only a crisis of *capitalism* in which housing conditions formed just ‘one of the innumerable, smaller, secondary evils’ caused by the exploitation of workers by capital. ... From this flowed two inescapable conclusions: the first was that workers, not tenants, were the agents of change in capitalist society; and, secondly, the only real alternative to the housing question was ‘to abolish altogether the exploitation and oppression of the working class by the ruling class’ through working class revolution and the expropriation of private property.

Yet, as Hodkinson reminds us, *The Housing Question* is more than just a declamatory call for the abolition of the capitalist mode of production. Over the years it has proved highly influential to the work of numerous analysts of the urban process under capitalism, particularly in enabling a critical investigation of accumulation strategies, speculative landed developer interests, displacement dynamics, struggles over property rights, and the tension between use and exchange value with respect to urban land and housing. It is important to stress that the articles in *The Housing Question* were not just about housing per se, but about the injustices produced by the underlying structure of socio-political interests constituting capitalist urban land economies and policies, and the role of ‘bourgeois socialists’ in reinforcing that structure. Many scholars have also noted the prescience of Engels’ analyses in respect of the preference of policy elites to respond to ‘concentrations of poverty’ with the use of bulldozers and wrecking balls, only for those concentrations to reappear soon afterwards not far away, “shifted elsewhere”, as Engels put it, rather than abolished. This was, for example, how Neil Smith (1982) evoked Engels’ work in one of his path-breaking papers on gentrification.

Engels’ writings continue to haunt us because they appear to ring true today. Take, for instance, the outpouring of varying sentiments following the death of Margaret Thatcher in April 2013. One of the more striking aspects of ad hoc television news interviews with passers-by was just how many people

acknowledged her divisive legacy, yet also offered glowing praise of the long-term effects of her flagship housing policy, Right to Buy (indeed, critiques of it were very hard to find in the immediate aftermath of her death). The general sentiment appeared to be, “I wouldn’t own my home if it wasn’t for Maggie!” Introduced in 1980 to encourage direct sales of council housing at very large discounts to tenants – to expand homeownership at the expense of the public housing stock – Right to Buy is one direct and major cause of the lack of affordable housing in the UK today (over the past 35 years, nearly 3 million publicly owned homes have been sold off under the scheme). Right to Buy played a decisive ideological role during the height of class conflict during the 1980s in two ways. First, the sudden emergence of homeownership had a diluting effect on council housing estates collectively trying to defend themselves and lobby in solidarity for better maintenance and service delivery. Second, and particularly relevant to a consideration of *The Housing Question*, it represented the vanguard policy of Thatcher’s ‘popular capitalism’ mantra, which aimed to pacify working class resistance to market logic and market rule (Jessop et al., 1988). Millions of working class people found the opportunity to buy their homes cheaply from the state to be irresistible, and this helped legitimise the systematic assault on the welfare state throughout the 1980s. The view of conservative politicians was – and remains – that workers don’t create as much fuss and trouble if they are suddenly immersed in the more ‘secure’ world of home ownership and mortgage repayments: a philosophy that had guided earlier endeavours to secure bourgeois hegemony in the USA through the introduction of the Federal Housing Administration in 1934 and its active promotion of home ownership in new suburban tracts often at the expense of poorer inner city communities (Dreier et al., 2001). Engels had already gained a keen sense of this political economy of housing in 1872.

Right to Buy was thus an electoral masterstroke, specifically targeting working class swing voters (Forrest and Murie, 1988). Yet Right to Buy actually failed on its own privatising terms, as many who exercised their Right to Buy sold on to private landlords, who rented them to tenants at double or triple the levels of private rent, which required tenants to apply for housing benefit from the state. So Thatcher’s flagship policy actually ended up costing the state far, far more in housing benefit than it ever did in maintenance and management of council homes.<sup>2</sup> However, none of this appears to matter under the current ideological crusade of ‘Thatcher’s children’ (David Cameron and George Osborne), as Right to Buy is now being extended to tenants in housing association dwellings.<sup>3</sup> So the fanatical devotion to homeownership in the UK

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<sup>2</sup> In addition, Thatcher oversaw an end to rent controls and the relaxation of lending rules (financial deregulation) to promote mortgage borrowing (enthusiastically upheld under New Labour) – and abundant mortgage credit is one direct cause of the housing crisis in the UK today.

<sup>3</sup> Furthermore, in a cynical appropriation of past language, the Tories have recently launched the ‘Help to Buy’ programme to assist first-time buyers purchase residential property (echoing

continues, and for the most part remains unchallenged despite abysmal housing precarity among the working classes. Studies of financialisation, neoliberalisation and deregulation in countries like Denmark and Sweden confirm how easily housing commons for the many can be appropriated and turned into sources of exchange value for the few – even in traditional welfare countries (Lund Hansen et al., 2015).

Revisiting, drawing upon and extending Engels' astute and prescient observations thereby represent an important project both politically and analytically, and not only in relation to the capitalist 'heartlands' that were at the fore of Engels' concerns. For instance, Engels' biographer Tristram Hunt (2009) drew an equivalence between Victorian Manchester and contemporary 'shock cities' such as Sao Paulo, as the injustices Engels so clearly dissected and exposed appear to have steadily expanded in scale and intensity, not least if we consider the contemporary urbanization of China, India, most of Africa, Latin America, and the 'Middle East' and 'Far East'. In those regions, notwithstanding the important calls advanced by postcolonialist urban theorists for particularist and contextual analytic lenses, there has been massive displacement of working class people occurring in the name of economic growth, mega-events, urban renaissance and modernization: and alongside this, there are distant traces of Proudhon in Hernando de Soto's proclamation that land-based freehold title enabling private property could offer a pathway to prosperity for many slum dwellers (cf. Pieterse, 2008). In an influential essay in *New Left Review*, David Harvey (2008) drew on Engels' pamphlet to make connections between the forms of 'accumulation by dispossession' in 19th century Paris and mid-twentieth century New York and those taking place in cities like Mumbai and Shanghai today. Harvey's essay marks an important stepping-stone for further critical analyses, which proves especially timely in light of the current global financial and economic crisis. Indeed the crisis was intricately intertwined with the housing question through the introduction of financial instruments and dubious innovations in various sectors of mortgage finance and land speculation – a crisis triggered by the actions of global elites interested primarily in lining their own pockets (something which gave birth to a fascinating strategy of revolt: the Occupy Movement).

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somewhat the principles of the US in the 1930s). It has thus far had two phases: (1) buyers contribute a 5% deposit and the government provides an equity loan for up to 20% of the property value, and buyers must provide the remaining funds themselves (from a mortgage). This is available only for new-build properties under a certain price (less than £600,000) and the loan is interest-free for the first five years; (2) 5% deposit mortgages are available from ten different lenders with the government acting as a guarantor for the mortgage. This phase is not restricted to those buying new-build: anyone wanting to buy any home in the UK worth less than £600,000 is eligible for the scheme. Even the IMF has warned George Osborne, Chancellor of the Exchequer, about this scheme creating another catastrophic housing bubble.

Just as Engels (1887) had referred to ‘Hausmann’ as “the practice, which has now become general, of making breaches in the working-class quarters of our big cities, particularly in those which are centrally situated”, contemporary flows in the secondary circuit of capital are similarly reshaping what Andy Merrifield has recently labelled ‘neo-Hausmannization’. For Merrifield:

Neo-Hausmannization signifies a new riff on an old tale of urban redevelopment. What happened in mid-nineteenth century Paris is now happening globally, not only in big capital cities and orchestrated by powerful city and national political economic forces, but in all cities, orchestrated by transnational financial and corporate elites everywhere, endorsed by their respective national governments (Merrifield, 2014, x).

In light of these processes, and of the urgent requirement to locate the immense asymmetries of political and economic power – and, further, to bring to account those who have displayed contemptuous neglect about how their own cynical financial engineering and political manipulations have wreaked havoc upon innocent but now impoverished communities – there has probably never been a more appropriate time to summon and revisit Engels’ words as part of a broader effort to reinstate the value of urban land as a *collective social creation*. Rentier capitalist extraction and the circulation of interest-bearing capital in land markets – facilitated by the neoliberal state – have resulted in the exorbitant costs of housing in so many societies. Land value (often ignored in discussions of housing costs) is not created from owning land – it is created from collective social investments in land, which landowners capture as unearned income via private property rights (Sayer, 2014). Land speculation and monopoly land ownership, on top of abundant mortgage credit, is what makes housing unaffordable. Instead of building decommodified shelter for people in dire housing need, the present-day engineering of the political-economic system actually encourages rentier capitalists to “compete over who can best use their land-banking skills to anticipate the next housing bubble and survive the last one” (Meek, 2014, 223). Against this backdrop, arguably the lasting critical contribution of all Engels’ writings – and outlined with most vigour in *The Housing Question* – is a conception of house and home that is of use value over exchange value, and of shelter over profit; housing as a basic ecological need.

### **The Special Issue**

This special issue has been a long time in the making – a consequence of the pressures inflicted upon the production of scholarship by the neoliberalisation of universities that Engels would have understood all too well! It originates from three paper sessions and one panel session under the title of ‘The Housing Question Revisited’, which we convened at the Annual Meeting of the Association of American Geographers in New York City, February 2012. It proved to be a collegial and energetic occasion, and the unanimous verdict among

contributors and the audience was that it was hugely instructive and politically important to revisit *The Housing Question*. To gain a sense of the spirit of the sessions, we refer you to the video recording of the panel, chaired by Gordon MacLeod and featuring contributions by Ute Lehrer, Kate Shaw, Tom Slater, Peter Marcuse, and the late Neil Smith, available on-line here: <http://vimeo.com/38981359>

Contributors to this thematic issue were asked to frame their analyses in reference to Engels' original pamphlet and the subsequent intellectual engagements with it. It brings together four in-depth studies of housing and land issues across three different national settings. Drawing on diverse research strategies, the articles that compose it traverse scales from everyday life to the higher reaches of the state and variously validate, complicate, but also challenge Engels' framework by taking it onto new geographic, empirical, and analytic terrains. Collectively, they confirm the pervasiveness, existential burdens, and intricate reverberations of capitalist urban accumulation strategies in the lives of urban residents at the bottom of the class structure. The contributors to this issue advance our empirical understanding of the *role of the capitalist state in the production of housing inequality in the city* and, beyond this, enrich our theoretical grasp of the connections between housing, land, finance, race, class and gender struggles.

In their consideration of whether Community Land Trusts (CLTs) are a radical or reformist response to the housing question today, Udi Engelsman, Mike Rowe and Alan Southern dissect three cases of CLT formation (at differing stages), one each in New York City and Boston and the other in Liverpool, and in all three they find – to varying degrees depending on historical context – radical agitation, reformist politicization and technocratic authority over the deployment of resources and the management of land and housing. Whilst the two cases from the US show clear evidence of community activism and resistance against the alignment of capital with state interests, the UK case shows that external technocrats maintained control over the agenda for renewal, not least because of different traditions of community organising and different intensities of capitalist state penetration of working class places. They find much that is relevant from Engels' analysis, but also irony, as the CLT ideal “is anti-commodification of land [Engels' passion] and at the same time, accepting of the self-help Engels would deride.” Furthermore, they argue that although CLTs may illustrate radical politics at key moments, compromise with state and capital is always present (CLTs do not by themselves threaten the logic of capitalist accumulation, nor offer a solution to the surplus absorption problem identified by Harvey). The authors acknowledge that CLTs fall short of the revolutionary imperative embraced by Engels, but guard against dismissing them as bourgeois, Proudhonist solutions to housing precarity.

Chris Herring and Emily Rosenman analyze the housing policies inflicted on New Orleans after Hurricane Katrina through the lens of Engels' scolding



criticism of Proudhonist and bourgeois-socialist ‘solutions’ to the housing question. In a city where the majority of residents rented their homes before the hurricane, the bulk of post-hurricane reconstruction funding has gone to homeowners and initiatives to promote homeownership. This has “benefited developers, current homeowners, and bourgeois interests”, but done “little to address the housing crisis, let alone the deeper social inequalities upon which it rests.” Herring and Rosenman argue that this relates not only to the logics of capitalism, but also to exclusionary ideologies underlying these logics. Drawing on Engels’ critique of Proudhon’s seemingly progressive calls for working class homeownership, Herring and Rosenman argue that narratives about the role of homeownership in New Orleans’ reconstruction reframe the economic question of housing provision as a legal and moral question in which class- and race-based stereotypes about renters result in a state-funded recovery schema that privileges aid for property owners. In contrast to Engels’ time, post-Katrina biases toward homeownership have effects beyond perpetuating class inequalities inherent in the capitalist system; in the current era of neoliberal capitalism, Herring and Rosenman find that so-called ‘market-led’ solutions to the housing question further serve the neoliberal politico-ideological function of masking the role of the state in the entrenchment of socioeconomic inequalities.

Contributing to a ‘feminist re-imagination of the city’, Yi-Ling Chen provides us with key insights into how class (Engel’s primary focus), as well as gendered housing conditions, are important elements in the understanding of Taiwan’s housing question. Through an analysis of changing political and economic structures, and correspondingly, the evolution of its housing problem in the past century, Chen show how the system bears many gendered assumptions, particularly in relation to domestic work and family responsibility. Furthermore, the increasing category of female-headed households is often among the groups that suffer most from the spatial dichotomy between public/private, production/reproduction, and workplace/home. The article calls for a re-imagination and redesign of the city, and contributes to a broader discussion on the equalizing of gender relations and the need for greater democratic control over the production of space.

In ‘rereading’ *The Housing Question*, Susan Saegert applauds Engels for pinpointing the systemic damage waged upon poor and working class people by the dominant structures of capitalism and for helping to situate the on-going urban crisis within a longer history of capital mobility and proletarian exploitation. Nonetheless, she contends that amid the unfolding of post-industrial landscapes and neoliberal capitalism, Engels’ version demands rethinking. First, in analyzing the recent history of US cities, and drawing on Harvey’s insights into the secondary circuit of capital, Saegert views Engels’s emphasis on the workplace as the predominant site of class struggle to seriously under-estimate the ways in which housing was to become such a crucial stake in local class and racialized struggles against capitalist interests such as landlords, financial

institutions, and a state, which in the early 21st century, is increasingly waging accumulation by dispossession (often upon land, property or rented housing inhabited by the working poor). Second, and relatedly, Saegert argues that Engels's masculinist bias – whereby he valorizes the working male 'free outlaw' unencumbered by housing responsibility as the primary agent of class struggle – leaves him blind-sided to the manifold ways in which sites of social reproduction, such as the home, have been generative of resistance and a transformative politics which often challenges the interests of capital, and which is largely undertaken by women and voluntary non-profits. For Saegert, all this complicates the geography and organization of class struggle beyond that originally revealed by Engels.

Finally, we also include in this special issue a transcript of the late Neil Smith's contribution to the abovementioned 2012 AAG panel session. The transcription was arranged by Christian Hiller and undertaken by Alexandra Nehmer, and has since been translated into German and published as a commentary in a reprint of *The Housing Question (Friedrich Engels: Zur Wohnungsfrage)*, Spector Books, 2015). The contribution was vintage Neil, containing the qualities that are missed so much by all who knew him: analytical sharpness and shrewdness, political commitment, good humour, and inspiration. For these reasons and many more, we dedicate this issue to his memory.

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